



Rep. Michael J. Madigan

Filed: 4/2/2009

09600SB0366ham001

LRB096 06398 RCE 25056 a

1 AMENDMENT TO SENATE BILL 366

2 AMENDMENT NO. _____. Amend Senate Bill 366 by replacing
3 everything after the enacting clause with the following:

4 "ARTICLE 1. SHORT TITLE; PURPOSE

5 Section 1-1. Short title. This Act may be cited as the
6 FY2009 Budget Implementation (Spring Supplemental) Act.

7 Section 1-5. Purpose. It is the purpose of this Act to make
8 changes in State programs that are necessary to implement the
9 Governor's Fiscal Year 2009 supplemental budget
10 recommendations as a result of enactment of the American
11 Recovery and Reinvestment Act of 2009.

12 ARTICLE 5. FEDERAL RECOVERY

13 Section 5-10. The State Finance Act is amended by changing

1 Section 6z-52 as follows:

2 (30 ILCS 105/6z-52)

3 Sec. 6z-52. Drug Rebate Fund.

4 (a) There is created in the State Treasury a special fund
5 to be known as the Drug Rebate Fund.

6 (b) The Fund is created for the purpose of receiving and
7 disbursing moneys in accordance with this Section.
8 Disbursements from the Fund shall be made, subject to
9 appropriation, only as follows:

10 (1) For payments to pharmacies for reimbursement for
11 prescription drugs provided to a recipient of aid under
12 Article V of the Illinois Public Aid Code or the Children's
13 Health Insurance Program Act.

14 (2) For reimbursement of moneys collected by the
15 Department of Healthcare and Family Services (formerly
16 Illinois Department of Public Aid) through error or
17 mistake.

18 (3) For payments of any amounts that are reimbursable
19 to the federal government resulting from a payment into
20 this Fund.

21 (c) The Fund shall consist of the following:

22 (1) Upon notification from the Director of Healthcare
23 and Family Services, the Comptroller shall direct and the
24 Treasurer shall transfer the net State share (disregarding
25 the reduction in net State share attributable to the

1 American Recovery and Reinvestment Act of 2009 or any other
2 federal economic stimulus program) of all moneys received
3 by the Department of Healthcare and Family Services
4 (formerly Illinois Department of Public Aid) from drug
5 rebate agreements with pharmaceutical manufacturers
6 pursuant to Title XIX of the federal Social Security Act,
7 including any portion of the balance in the Public Aid
8 Recoveries Trust Fund on July 1, 2001 that is attributable
9 to such receipts.

10 (2) All federal matching funds received by the Illinois
11 Department as a result of expenditures made by the
12 Department that are attributable to moneys deposited in the
13 Fund.

14 (3) Any premium collected by the Illinois Department
15 from participants under a waiver approved by the federal
16 government relating to provision of pharmaceutical
17 services.

18 (4) All other moneys received for the Fund from any
19 other source, including interest earned thereon.

20 (Source: P.A. 95-331, eff. 8-21-07.)

21 Section 5-15. The Illinois Public Aid Code is amended by
22 changing Section 5A-10 as follows:

23 (305 ILCS 5/5A-10) (from Ch. 23, par. 5A-10)

24 Sec. 5A-10. Applicability.

1 (a) The assessment imposed by Section 5A-2 shall not take
2 effect or shall cease to be imposed, and any moneys remaining
3 in the Fund shall be refunded to hospital providers in
4 proportion to the amounts paid by them, if:

5 (1) The sum of the appropriations for State fiscal
6 years 2004 and 2005 from the General Revenue Fund for
7 hospital payments under the medical assistance program is
8 less than \$4,500,000,000 or the appropriation for each of
9 State fiscal years 2006, 2007 and 2008 from the General
10 Revenue Fund for hospital payments under the medical
11 assistance program is less than \$2,500,000,000 increased
12 annually to reflect any increase in the number of
13 recipients, or the annual appropriation for State fiscal
14 years 2009 through 2013, from the General Revenue Fund
15 combined with the Hospital Provider Fund as authorized in
16 Section 5A-8 for hospital payments under the medical
17 assistance program, is less than the amount appropriated
18 for State fiscal year 2009, adjusted annually to reflect
19 any change in the number of recipients, excluding State
20 fiscal year 2009 supplemental appropriations made
21 necessary by the enactment of the American Recovery and
22 Reinvestment Act of 2009; or

23 (2) For State fiscal years prior to State fiscal year
24 2009, the Department of Healthcare and Family Services
25 (formerly Department of Public Aid) makes changes in its
26 rules that reduce the hospital inpatient or outpatient

1 payment rates, including adjustment payment rates, in
2 effect on October 1, 2004, except for hospitals described
3 in subsection (b) of Section 5A-3 and except for changes in
4 the methodology for calculating outlier payments to
5 hospitals for exceptionally costly stays, so long as those
6 changes do not reduce aggregate expenditures below the
7 amount expended in State fiscal year 2005 for such
8 services; or

9 (2.1) For State fiscal years 2009 through 2013, the
10 Department of Healthcare and Family Services adopts any
11 administrative rule change to reduce payment rates or
12 alters any payment methodology that reduces any payment
13 rates made to operating hospitals under the approved Title
14 XIX or Title XXI State plan in effect January 1, 2008
15 except for:

16 (A) any changes for hospitals described in
17 subsection (b) of Section 5A-3; or

18 (B) any rates for payments made under this Article
19 V-A; or

20 (C) any changes proposed in State plan amendment
21 transmittal numbers 08-01, 08-02, 08-04, 08-06, and
22 08-07; or

23 (3) The payments to hospitals required under Section
24 5A-12 or Section 5A-12.2 are changed or are not eligible
25 for federal matching funds under Title XIX or XXI of the
26 Social Security Act.

1 (b) The assessment imposed by Section 5A-2 shall not take
2 effect or shall cease to be imposed if the assessment is
3 determined to be an impermissible tax under Title XIX of the
4 Social Security Act. Moneys in the Hospital Provider Fund
5 derived from assessments imposed prior thereto shall be
6 disbursed in accordance with Section 5A-8 to the extent federal
7 financial participation is not reduced due to the
8 impermissibility of the assessments, and any remaining moneys
9 shall be refunded to hospital providers in proportion to the
10 amounts paid by them.

11 (Source: P.A. 94-242, eff. 7-18-05; 95-331, eff. 8-21-07;
12 95-859, eff. 8-19-08.)

13 Section 5-20. The Environmental Protection Act is amended
14 by changing Sections 19.1, 19.3, and 19.4 as follows:

15 (415 ILCS 5/19.1) (from Ch. 111 1/2, par. 1019.1)

16 Sec. 19.1. Legislative findings. The General Assembly
17 finds:

18 (a) that local government units require assistance in
19 financing the construction of wastewater treatment works in
20 order to comply with the State's program of environmental
21 protection and federally mandated requirements;

22 (b) that the federal Water Quality Act of 1987 provides an
23 important source of grant awards to the State for providing
24 assistance to local government units through the Water

1 Pollution Control Loan Program;

2 (c) that local government units and privately owned
3 community water supplies require assistance in financing the
4 construction of their public water supplies to comply with
5 State and federal drinking water laws and regulations;

6 (d) that the federal Safe Drinking Water Act ("SDWA"), P.L.
7 93-523, as now or hereafter amended, provides an important
8 source of capitalization grant awards to the State to provide
9 assistance to local government units and privately owned
10 community water supplies through the Public Water Supply Loan
11 Program;

12 (e) that violations of State and federal drinking water
13 standards threaten the public interest, safety, and welfare,
14 which demands that the Illinois Environmental Protection
15 Agency expeditiously adopt emergency rules to administer the
16 Public Water Supply Loan Program; ~~and~~

17 (f) that the General Assembly agrees with the conclusions
18 and recommendations of the "Report to the Illinois General
19 Assembly on the Issue of Expanding Public Water Supply Loan
20 Eligibility to Privately Owned Community Water Supplies",
21 dated August 1998, including the stated access to the Public
22 Water Supply Loan Program by the privately owned public water
23 supplies so that the long term integrity and viability of the
24 corpus of the Fund will be assured; and -

25 (g) that the American Recovery and Reinvestment Act of 2009
26 provides a source of capitalization grant awards to the State

1 to provide loans and additional subsidization, including, but
2 not limited to, forgiveness of principal, negative interest
3 loans, and grants, to local government units through the Water
4 Pollution Control Loan Program and to local government units
5 and privately owned community water supplies through the Public
6 Water Supply Loan Program.

7 (Source: P.A. 91-52, eff. 6-30-99; 91-501, eff. 8-13-99;
8 92-651, eff. 7-11-02.)

9 (415 ILCS 5/19.3) (from Ch. 111 1/2, par. 1019.3)

10 Sec. 19.3. Water Revolving Fund.

11 (a) There is hereby created within the State Treasury a
12 Water Revolving Fund, consisting of 3 interest-bearing special
13 programs to be known as the Water Pollution Control Loan
14 Program, the Public Water Supply Loan Program, and the Loan
15 Support Program, which shall be used and administered by the
16 Agency.

17 (b) The Water Pollution Control Loan Program shall be used
18 and administered by the Agency to provide assistance for the
19 following purposes:

20 (1) to accept and retain funds from grant awards,
21 appropriations, transfers, and payments of interest and
22 principal;

23 (2) to make direct loans at or below market interest
24 rates to any eligible local government unit to finance the
25 construction of wastewater treatments works;

1 (2.5) with respect to funds provided under the American
2 Recovery and Reinvestment Act of 2009:

3 (A) to make direct loans at or below market
4 interest rates to any eligible local government unit
5 and to provide additional subsidization to any
6 eligible local government unit, including, but not
7 limited to, forgiveness of principal, negative
8 interest rates, and grants;

9 (B) to make direct loans at or below market
10 interest rates to any eligible local government unit to
11 buy or refinance debt obligations for treatment works
12 incurred on or after October 1, 2008; and

13 (C) to provide additional subsidization,
14 including, but not limited to, forgiveness of
15 principal, negative interest rates, and grants for
16 treatment works incurred on or after October 1, 2008;

17 (3) to make direct loans at or below market interest
18 rates to any eligible local government unit to buy or
19 refinance debt obligations for treatment works incurred
20 after March 7, 1985;

21 (3.5) to make direct loans at or below market interest
22 rates for the implementation of a management program
23 established under Section 319 of the Federal Water
24 Pollution Control Act, as amended;

25 (4) to guarantee or purchase insurance for local
26 obligations where such action would improve credit market

1 access or reduce interest rates;

2 (5) as a source of revenue or security for the payment
3 of principal and interest on revenue or general obligation
4 bonds issued by the State or any political subdivision or
5 instrumentality thereof, if the proceeds of such bonds will
6 be deposited in the Fund;

7 (6) to finance the reasonable costs incurred by the
8 Agency in the administration of the Fund; and

9 (7) to transfer funds to the Public Water Supply Loan
10 Program.

11 (c) The Loan Support Program shall be used and administered
12 by the Agency for the following purposes:

13 (1) to accept and retain funds from grant awards and
14 appropriations;

15 (2) to finance the reasonable costs incurred by the
16 Agency in the administration of the Fund, including
17 activities under Title III of this Act, including the
18 administration of the State construction grant program;

19 (3) to transfer funds to the Water Pollution Control
20 Loan Program and the Public Water Supply Loan Program;

21 (4) to accept and retain a portion of the loan
22 repayments;

23 (5) to finance the development of the low interest loan
24 program for public water supply projects;

25 (6) to finance the reasonable costs incurred by the
26 Agency to provide technical assistance for public water

1 supplies; and

2 (7) to finance the reasonable costs incurred by the
3 Agency for public water system supervision programs, to
4 administer or provide for technical assistance through
5 source water protection programs, to develop and implement
6 a capacity development strategy, to delineate and assess
7 source water protection areas, and for an operator
8 certification program in accordance with Section 1452 of
9 the federal Safe Drinking Water Act.

10 (d) The Public Water Supply Loan Program shall be used and
11 administered by the Agency to provide assistance to local
12 government units and privately owned community water supplies
13 for public water supplies for the following public purposes:

14 (1) to accept and retain funds from grant awards,
15 appropriations, transfers, and payments of interest and
16 principal;

17 (2) to make direct loans at or below market interest
18 rates to any eligible local government unit or to any
19 eligible privately owned community water supply to finance
20 the construction of water supplies;

21 (2.5) with respect to funds provided under the American
22 Recovery and Reinvestment Act of 2009:

23 (A) to make direct loans at or below market
24 interest rates to any eligible local government unit or
25 to any eligible privately owned community water
26 supply, and to provide additional subsidization to any

1 eligible local government unit or to any eligible
2 privately owned community water supply, including, but
3 not limited to, forgiveness of principal, negative
4 interest rates, and grants;

5 (B) to buy or refinance the debt obligation of a
6 local government unit for costs incurred on or after
7 October 1, 2008; and

8 (C) to provide additional subsidization,
9 including, but not limited to, forgiveness of
10 principal, negative interest rates, and grants for a
11 local government unit for costs incurred on or after
12 October 1, 2008;

13 (3) to buy or refinance the debt obligation of a local
14 government unit for costs incurred on or after July 17,
15 1997;

16 (4) to guarantee local obligations where such action
17 would improve credit market access or reduce interest
18 rates;

19 (5) as a source of revenue or security for the payment
20 of principal and interest on revenue or general obligation
21 bonds issued by the State or any political subdivision or
22 instrumentality thereof, if the proceeds of such bonds will
23 be deposited into the Fund; and

24 (6) to transfer funds to the Water Pollution Control
25 Loan Program.

26 (e) The Agency is designated as the administering agency of

1 the Fund. The Agency shall submit to the Regional Administrator
2 of the United States Environmental Protection Agency an
3 intended use plan which outlines the proposed use of funds
4 available to the State. The Agency shall take all actions
5 necessary to secure to the State the benefits of the federal
6 Water Pollution Control Act and the federal Safe Drinking Water
7 Act, as now or hereafter amended.

8 (f) The Agency shall have the power to enter into
9 intergovernmental agreements with the federal government or
10 the State, or any instrumentality thereof, for purposes of
11 capitalizing the Water Revolving Fund. Moneys on deposit in the
12 Water Revolving Fund may be used for the creation of reserve
13 funds or pledged funds that secure the obligations of repayment
14 of loans made pursuant to this Section. For the purpose of
15 obtaining capital for deposit into the Water Revolving Fund,
16 the Agency may also enter into agreements with financial
17 institutions and other persons for the purpose of selling loans
18 and developing a secondary market for such loans. The Agency
19 shall have the power to create and establish such reserve funds
20 and accounts as may be necessary or desirable to accomplish its
21 purposes under this subsection and to allocate its available
22 moneys into such funds and accounts. Investment earnings on
23 moneys held in the Water Revolving Fund, including any reserve
24 fund or pledged fund, shall be deposited into the Water
25 Revolving Fund.

26 (Source: P.A. 92-16, 6-28-01; 93-170, eff. 7-10-03.)

1 (415 ILCS 5/19.4) (from Ch. 111 1/2, par. 1019.4)

2 Sec. 19.4. Regulations; priorities.

3 (a) The Agency shall have the authority to promulgate
4 regulations to set forth procedures and criteria concerning
5 loan applications. For units of local government, the
6 regulations shall include, but need not be limited to, the
7 following elements:

8 (1) loan application requirements;

9 (2) determination of credit worthiness of the loan
10 applicant;

11 (3) special loan terms, as necessary, for securing the
12 repayment of the loan;

13 (4) assurance of payment;

14 (5) interest rates;

15 (6) loan support rates;

16 (7) impact on user charges;

17 (8) eligibility of proposed construction;

18 (9) priority of needs;

19 (10) special loan terms for disadvantaged communities;

20 (11) maximum limits on annual distributions of funds to
21 applicants or groups of applicants;

22 (12) penalties for noncompliance with loan
23 requirements and conditions, including stop-work orders,
24 termination, and recovery of loan funds; and

25 (13) indemnification of the State of Illinois and the

1 Agency by the loan recipient.

2 (b) The Agency shall have the authority to promulgate
3 regulations to set forth procedures and criteria concerning
4 loan applications for loan recipients other than units of local
5 government. In addition to all of the elements required for
6 units of local government under subsection (a), the regulations
7 shall include, but need not be limited to, the following
8 elements:

9 (1) types of security required for the loan;

10 (2) types of collateral, as necessary, that can be
11 pledged for the loan; and

12 (3) staged access to fund privately owned community
13 water supplies.

14 (c) The Agency shall develop and maintain a priority list
15 of loan applicants as categorized by need. Priority in making
16 loans from the Public Water Supply Loan Program must first be
17 given to local government units and privately owned community
18 water supplies that need to make capital improvements to
19 protect human health and to achieve compliance with the State
20 and federal primary drinking water standards adopted pursuant
21 to this Act and the federal Safe Drinking Water Act, as now and
22 hereafter amended.

23 (d) The Agency shall have the authority to promulgate
24 regulations to set forth procedures and criteria concerning
25 loan applications for funds provided under the American
26 Recovery and Reinvestment Act of 2009. In addition, due to time

1 constraints in the American Recovery and Reinvestment Act of
2 2009, the Agency shall adopt emergency rules as necessary to
3 allow the timely administration of funds provided under the
4 American Recovery and Reinvestment Act of 2009. Emergency rules
5 adopted under this subsection (d) shall be adopted in
6 accordance with Section 5-45 of the Illinois Administrative
7 Procedure Act.

8 (Source: P.A. 91-36, eff. 6-15-99; 91-52, eff. 6-30-99; 91-501,
9 eff. 8-13-99; 92-16, eff. 6-28-01.)

10 ARTICLE 10. RTA CLEAN/GREEN VEHICLES

11 Section 10-5. The Regional Transportation Authority Act is
12 amended by adding Section 2.32 as follows:

13 (70 ILCS 3615/2.32 new)

14 Sec. 2.32. Clean/green vehicles. Any vehicles purchased
15 from funds made available to the Authority from the
16 Transportation Bond, Series B Fund must incorporate
17 clean/green technologies and alternative fuel technologies, to
18 the extent practical.

19 ARTICLE 99. EFFECTIVE DATE

20 Section 99-99. Effective date. This Act takes effect upon
21 becoming law."